

**COMPENSATION STRATEGIES AND EMPLOYEE JOB SATISFACTION IN THE  
HEALTH SECTOR IN KIAMBU COUNTY, KENYA**

**BY**

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## DECLARATION

This proposal is my original work and has not been presented for a degree or any other award in any University.

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This research proposal has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

I dedicate this project to my beloved husband, Kaniu and my three adorable children Kaylann, Kayden and Kayla for their support, understanding and great motivation throughout the study.

## **ACKNOWLEDGEMENTS**

I express my heartfelt gratitude to the Almighty God who gives strength, life and knowledge.

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## ABBREVIATIONS AND ACRONYMS

<b>ERG</b>	Existence, Relatedness and Growth theory
<b>ESP</b>	Economic Stimulus Package
<b>GDP</b>	Gross Domestic Product
<b>HIMS</b>	Health Information Management System
<b>KEMRI</b>	Kenya Medical Research Institute
<b>KEMSA</b>	Kenya Medical Supplies authority
<b>KMTC</b>	Kenya Medical Training College
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>NGO</b>	Non-Government Organization
<b>PSC</b>	Public Service Commission
<b>SDGs</b>	Sustainable Development Goals
<b>SPSS</b>	Statistical Package for social Science
<b>UHC</b>	Universal Health Care
<b>UN</b>	United Nations
<b>USIU</b>	United States International University
<b>WHO</b>	World Health Organization

## **OPERATIONAL DEFINITION OF TERMS**

<b>Allowances</b>	amount of money paid to health workers over and above their wage rate to reduce out of pocket expense incurred in course of duty. They may include house, transport, hardship etc.
<b>Basic pay</b>	this refers to wage rate paid to an employee. It may per hour, day, weekly or monthly.
<b>Compensation</b>	both financial and non-financial benefits that an employer provides to an employee for the services renders.
<b>Extrinsic reward</b>	tangible reward usually financial given by organization to an employee for the service render. They may include basic pay, allowances, pension etc.
<b>Intrinsic reward</b>	non-tangible rewards that are offered by the organization to employee. They may include a good working condition, recognition etc.
<b>Job satisfaction</b>	the attitude and feelings people have toward their jobs.
<b>Recognition</b>	any form of communication from management to employees acknowledging behavior or effort or successive delivery of a service with an aim of motivating and encouraging them.
<b>Working condition</b>	the physical and psychological environment that an employee finds him or herself at the place of work.

## ABSTRACT

Health care is important for economic development and personal wellbeing. A healthy workforce increases organization performance by reducing the number of sick leaves, absenteeism, turnover and also improves productivity. Central to the employee's performance is job satisfaction. Compensation is a significant determinant of whether employees are satisfied or dissatisfied with their jobs. In Kenya, the health sector has been marred with strikes and industrial disputes related to health worker compensation. This is not different from Kiambu County, which has inadequate workers, face erratic supply of medical products, and have poor health infrastructure, health facilities, inadequate resources. Given the importance of these factors to job satisfaction in health sector, these challenges may contribute to dissatisfaction. The general objective of the study was therefore to study compensation strategies and employee job satisfaction in the health sector in Kiambu County, Kenya. The specific objectives of the study were; to determine the effect of basic pay on job satisfaction in the health sector in Kiambu County, to establish the effect of benefits on job satisfaction in the health sector in Kiambu County, to find out the effect of working condition on job satisfaction in the health sector in Kiambu County and to examine the effect of recognition on job satisfaction in the health sector in Kiambu County, Kenya. The study was anchored on the Maslow's Hierarchy of needs theory, Herzberg's Two factors theory, Equity theory, Alderfer's ERG theory and Vroom's expectancy theory. The study used descriptive design. The target population was senior, middle level and support staff of tier 2, tier3 and tier 4 public health facilities in Kiambu County Kenya. The study targeted 584 health workers. The sample size was 20% of this and hence 129 employees were interviewed. Using correlation and regression analysis, the study found that basic pay and benefits do not have statistically significant effect on job satisfaction. However, working condition and recognition have statistically significant effect on job satisfaction. The results implied that to improve job satisfaction among healthcare workers, the county government of Kiambu should focus on intrinsic rewards like working conditions and recognition instead of extrinsic rewards like pay and allowances. To test the reliability of the survey items, the study used Cronbach's alpha that measures internal consistency of the survey items. The data quality test was done to ensure that the data is reliable and valid for analysis.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Health care is an important contributor to the economic development and wellbeing of a country. Health care is not only important for boosting economic growth but also for achieving one's ambition. The importance of health care to growth and personal wellbeing is recognized by United Nation (UN) in sustainable development goals (SDGs) number three which aims to ensure people live healthy lives and also promote wellbeing (United Nations, 2015). At the center of a good health care systems, is human resource for health (Buchan *et al.*, 2017).

Globally, health care is a major expenditure component in government budgets. Despite, the huge expenditures in health, there remains huge shortage of health workers in the health sector. Globally, it is estimated that in 2013 there was 17.4 million need-based shortage of health-care workers (*Global Strategy on Human Resources for Health : Workforce 2030*, n.d.). The breakdown shows that the largest need-based shortage is in South-East Asia and Africa. Virtually all countries face challenges in recruitment and deployment of health workers. The high turnover and attrition in the health sector can be attributed to poor working conditions, low salaries and weak career prospects (Wiskow, 2017). Job dissatisfaction in health sector is closely linked to working condition and income. However, working condition especially excessive workloads, long hours of works, inadequate infrastructure, lack of control over works, and lack of professional development and recognition are also major contributor to job dissatisfaction in health sector.

There is a strong association between employee's job satisfaction and compensation. Globally, evidence indicates that there is a positive association between income level in origin countries and

intention to migrate. Health workers are attracted to countries offering higher salaries. It is estimated that the global average wage bill expressed as the proportion of public health spending is approximately 57 percent (Lauer *et al.*, 2017). Between 2000 and 2010, the compensation of health workers as proportion of GDP did not change and it decreased in terms of total health expenditure (Wiskow, 2017). In all income groups the share of remuneration as percent of total health spending decreased though the highest reduction was in upper-middle-income countries. For the share of remuneration as percent of GDP, the greatest reduction was in low-income countries while lower and upper-middle income countries recorded a slight increase. Compensation is a major factor in recruitment, retention and motivation of health workers.

In Kenya, the importance of health sector is codified in Kenya Vision 2030 which aims to offer equitable and affordable health care to all citizen (Mugo *et al.*, 2018). The vision aim is to strengthen the health care system in five key areas; access, equity, quality, capacity and institutional framework. Under the capacity focus area, the government was to ensure equitable allocation of resources and also capacity development of health personnel. The government also aim to increase the geographical access of the health care services.

To ensure access to health care services, Kenya devolved the health care system in March 2013. The Kenya constitution mandated that the management of health care be shared between the county government and national government. The county government is mandated to offer preventive, promote and public health services and also run health facilities under their jurisdiction. However, the national facilities and education of health worker functions were left with national government. Therefore, the human resource managements fall under the County government. Recruitment, disciplining, promotion and training of health workers is done by County government for facilities that falls under County government.

Kiambu County have a total of 332 health facilities as of 2014 (*County Statistical Abstract Kiambu County 2015*, 2015). The County government allocation to health in 2014/2015 financial year was Kshs. 2.8 billion for recurrent expenditure and Kshs. 527 million for development expenditure (*County Statistical Abstract Kiambu County 2015*, 2015). The health recurrent expenditure constitutes around 41 percent of total recurrent expenditure. The health development expenditure constituted 19 percent of total development expenditure. Despite the large share of recurrent expenditure that is allocated to health, the number of strikes and industrial disputes between the County governments and health workers have been on the rise (Irimu *et al.*, 2018). For example, in 2016, there was nationwide doctors' strike that lasted for 100 days, in 2017, there was a nurses' strike that lasted for 150 days. The strikes were blamed on salary delays, challenges managing career progression, training among other (Irimu *et al.*, 2018). This suggests that rewards both extrinsic and intrinsic are key to job satisfaction.

### **1.1.1 Employee's Job Satisfaction**

Job satisfaction refers to a positive emotional state which may result from the appraisal of one's job or job experience. It results from employee's perception of how well their job provides things that are viewed as important (Locke and Lathan, 1976). Luthan (1998) argued that there are three important dimensions to job satisfaction. First, job satisfaction is an emotional response to a job situation and hence, it can only be inferred. Job satisfaction is often determined by how well outcome meet or exceed expectations. For example, if employees feel that they are working much harder than others in the department but are less compensated, they may have a negative attitude towards work, the boss and co-workers.

However, if they feel they are treated very well and are paid equitably, they are likely to have positive attitudes. It is generally agreed in the organizational behavior that job satisfaction is the most important and frequently studied attitude. Job satisfaction refers to the attitude and feelings people have toward their jobs. It can also be seen as a function of the perceived relationship between what an individual want from a job and what the job is offering (Dhurup *et al.*, 2014). Employee job satisfaction is crucial for a good health care system. A good health care system reduces the economic cost to the company by reducing the number of sick leaves, absenteeism and low job performance. Moreover, health employees are likely to be more productive and motivated if they are healthy. The key to a good health care system is pegged on health employees and hence, employees job satisfaction is an important factor to the health care system.

Job satisfaction refers to the extent an employee likes their job i.e. the attitude and feelings toward ones' job. Job satisfaction is important to an organization as it is positively correlated to employees' productivity, motivation, performance and negatively correlated to employees' turnover and absenteeism (Muguongo *et al.*, 2015; Salisu *et al.*, 2015b; Thuita & Oiye, 2018). Therefore, job satisfaction has huge implications for the health sectors. Satisfied health workers are highly likely to offer good services to patients compared to dissatisfied workers. However, this definition misses a key aspect of job satisfaction i.e. the compensation strategy. Job satisfaction crucially depends on the compensation strategy of an organization.

Generally, employees' attitude toward work is related to different aspect of the job such as basic pay, allowances, benefits, work environment, job security, promotion opportunities etc (Dhurup *et al.*, 2014). The absence or presence of these factors may make employees have positive and favorable attitude toward work. When an employee has positive and favorable attitude or feeling toward a job, the employee can be said to be satisfied by the job. A negative and unfavorable

attitude indicates employees' dissatisfaction with a job. Closely related concept to job satisfaction is employees' morale. Morale relates to the extent an individual need is satisfied and the perception that the satisfaction is directly related to work situation. Therefore, employees with higher level of morale are more likely to be more productive than employees with low morale.

Compensation affects the employee job satisfaction, as it provides a means for employees to take care of basic needs (Muguongo *et al.*, 2015). However, since compensation constitutes an operating expense, the County government may attempt to save money through salary delays or freezes. Such attempts lead to dissatisfaction with the job and in the recent years in Kenya health sector, the attempts have been faced by work stoppage and withdrawal of services by health workers (Irimu *et al.*, 2018).

However, there is a balance between compensation and services rendered. To have satisfied health workers, the County government should offer the health worker a compensation package equal to the services rendered. Maslow's hierarchy of needs indicates that compensation is at the bottom of the pyramid while factors like job satisfaction are at the top of the pyramid (Yaseen, 2013). Hence, compensation can be used as a tool to motivate employees in the health sector to work harder. Moreover, a good compensation package reduces the probability of strikes and industrial disputes that have a negative effect on the health care outcome.

There are different ways of assessing the job satisfaction in the health sector. To assess job satisfaction, the study will focus on the satisfaction with employee management relationship, recognition, working organization structure, promotion and career development.

### **1.1.2 Compensation Strategies**

Compensations relate to both financial and non-financial benefits that an employer provides to an employee for the services renders (Muguongo *et al.*, 2015; Salisu *et al.*, 2015b; Thuita & Oiyee, 2018). The financial benefits may include salary, allowances, benefits, gratuity, and pension while non-financial benefits includes good working condition, promotion opportunities, good working relationship with colleagues, recognition etc. (Ali & Wajidi, 2013; Gichuru, 2014; Salisu *et al.*, 2015b). A good compensation system ensures that there is a link between employees' job performance and services rendered (Njanja *et al.*, 2013). This ensures that the compensation system is geared toward reinforcing good behavior in the health care.

There is a strong link between compensation and job satisfaction. Research suggests that 6 out of 10 employees indicates that compensation is very important for overall job satisfaction (Muguongo *et al.*, 2015). Though very little research exists in this aspect for Kiambu County health sector, the situation may not be very different. Further, given the high unemployment rate in Kenya, a competitive compensation package may be a strategic tool for the County to attract and retain qualified health workers. For the compensation to be an effective motivator, the package should include wage rate, fringe benefits, payment and allowances.

It is well recognized that money is a major motivator and effective way to make workers increase productivity (Yaseen, 2013). The wage rate offered to health worker determine whether there are satisfied with jobs or not. Health workers that feel the wage rate offered does not reflect the amount of work done, will be dissatisfied with their jobs. Hence, a competitive basic pay or wage rate can be used in Kiambu County to ensures that health workers are satisfied with their jobs.

The wage rate also determines the employees' allowances. These allowances include sick leaves, insurance, transport, housing, perks among others. Allowances may also be used as motivating

factor in the health sector. Since perks constitutes benefits to employees due to good performance and commitment to the organization, they can be used to reward employees who are exceptional in the workplace. This is can increase employees' job satisfactions.

Apart from financial compensation, non-cash rewards have a positive impact on job satisfaction (Ali & Wajidi, 2013). The non-cash compensation includes working condition, recognition, career progression, promotion opportunities etc. In health care, working conditions not only affect the health workers but also the patients. Most developing countries are characterized by poor human resource management, poor health delivery system and under developed health infrastructure (Wamunyu, 2016). These are important aspect of health workers working conditions and hence may have an impact on job satisfaction. This is attested by the alarming brain drain in health care sector in Kenya (Onyango & Wanyoike, 2014).

Therefore, both cash and non-cash compensation is important part of health worker job satisfaction. It is highly unlikely that the Vision 2030 goal of equitable health care and SDGs three of health living and wellbeing at all ages will be achieved with dissatisfied health workers. The health sector is faced with a lot of challenges in Kenya and Kiambu County is not exception to this. These includes the shortage of health workers, underfunding, lack of career opportunities, lack of clear guidelines on promotion of health workers among others (Wamunyu, 2016).

### **1.1.3 Health Sector in Kiambu**

In Kenya, access to health is guaranteed by 2010 Constitution. Moreover, the government have come up with different framework like Kenya Vision 2030 which aims to give access to quality and effective health services to the entire population and Big Four agenda which emphasizes

Universal Health Care. This is due to importance of health, to economic development and human wellbeing.

The health sector was devolved in 2013 and the responsibility of running the sector is shared between the national and County government. The County government is responsible for coordinating and managing of the health sector at County level. Some of the functions of County government in the health sector include; promotion of the primary health care, public health and sanitation, ambulance services, disease surveillance and response and management of health care workers. Hence, it is the responsibility of the County government to ensure the health sector have motivated and satisfied employees. The national government is responsible for the coordination and managements of the national referral hospitals and laboratories, planning and budgeting for national health services, Health Information Management System and training of health workers. The main players in the health sectors are government, private sector and Non-Government Organization (Mugo *et al.*, 2018).

In Kenya, the health sector is structured into four tiers and the service delivery follows a referral system. Tier 1 includes the community health services, Tier 2 involves primary care services (Dispensary and Health centers), Tier 3 involves the County health services (Former level 4 hospitals) and Tier 4 involves the national referral services. However, there is another Tier that generally includes public health institutions like KEMRI, KEMSA, KMTC etc.

The major challenges in the health sector in Kenya have been inadequate workforce and non-conducive working environment. For example, in 2012, Kenya had 0.25 medical officers per 10, 000 people compared to the required number of 3 medical officer per 10, 000 people. The shortage is experienced across the health sector, with shortages in general practitioners, clinical officers, nurses etc. Moreover, 74 percent of the head of human resources at level indicates that they have

inadequate staff, and 53 percent indicates that they are not able to attract required health workers (Mugo et al., 2018). However, 77.4 percent indicated that the counties are able to retain its health workers. Apart from shortages of health workers, other factors like poor working condition and dissatisfaction with compensation have led to unrest in the health sector.

Kiambu County have a population of 1,760,692 people (878,710 being male and 881,982 being female) (*County Statistical Abstract Kiambu County 2015*, 2015). The health sector in Kiambu County consist of three Directorates; Directorate of health planning and administration; Directorate of health prevention and promotion; Directorate of clinical and rehabilitative services (County Government of Kiambu, 2018). According to Kenya National Bureau of Statistics (2015), in 2014, Kiambu County had 51 Hospitals, 41 health centers, 93 dispensaries and 147 clinics. Furthermore, the County had a total of 2,753 hospital beds. The County health sector expenditure has been increasing with health budget of Kshs. 4.733 billion for 2018/19.

However, the staff at Kiambu County health sectors may be overworked as they not only attend to patients in Kiambu County but also the neighboring counties. This may have led to demotivation, exhaustion and negligence that may have led to mistakes. The County faces at least four major challenges in the health sector. First, concerns the inadequate skilled health workers, second, erratic supply of medical products, third, poor health infrastructure and health facilities and lastly, inadequate resources (County Government of Kiambu, 2018). Given the importance of intrinsic and extrinsic factors to job satisfaction in health sector these challenges may contribute to dissatisfaction and unrest in the health sector

## **1.2 Statement of the Problem**

Health care is important for economic development and personal wellbeing. A healthy workforce increases organization performance by reducing the number of sick leaves, absenteeism, turnover

and also improves productivity. Central to the employee's performance is job satisfaction. Job satisfaction affects employee's motivation and productivity and hence have a direct effect on organization performance (Thuita & Oiye, 2018). Many factors do affect employees job satisfaction, but the major factors can be categorized into financial and non-financial compensation.

Compensation is a significant determinant of whether employees are satisfied or dissatisfied with their jobs. In Kenya, the health sector has been marred with strikes and industrial disputes related to health worker compensation. The health sector in Kenya is generally underfunded, have shortage of health workers, lack career opportunities and lack clear guidelines on promotion of health workers (Wamunyu, 2016). Kiambu County is not exceptional to this trend and hence, given the national wide doctor's and nurse's strike in 2016 and 2017, it is clear that health workers are dissatisfied with some aspect of their jobs. These aspects maybe related to basic pay, allowances, pensions and other cash benefits or non-cash rewards like working condition, recognition, promotion policies, career advancement among others.

Studies done on the effect of compensation on job satisfaction shows that compensation have positive and significant effect on job satisfaction (Ali & Wajidi, 2013; Gichuru, 2014; Muguongo *et al.*, 2015; Thuita & Oiye, 2018; Wamunyu, 2016). However, some studies find that while pension payment and gratuity payment schemes have a significant positive effect on job satisfaction, salary and allowances do not have a significant effect on job satisfaction (Salisu *et al.*, 2015b). A study on effect of compensation on job satisfaction in Isiolo County, found that health workers are dissatisfied with the compensation package (Gichuru, 2014). A study by Wamunyu (2016), in Kiambu found that working conditions and remuneration have a significant and positive effect on job satisfaction. However, these studies are hard to generalize since Gichuru

(2014) focused on Isiolo County and health workers under Economic stimulus program while Wamunyu (2016) focused on Kiambu level four hospital health workers. Hence, there is a need for a study that focuses on a representative sample of the health workers in Kiambu County. Moreover, different study gives conflicting results on the effect of different compensation strategy on job satisfaction.

This study extends a study by Wamunyu (2016) and investigates the effect of compensation strategy on job satisfaction in Kiambu County. The study specifically examined the effect of basic pay, allowances, recognition and working conditions on job satisfaction. The study extends the current literature by using a more representative sample of the health workers in Kiambu County. Given the central role of dispensaries and health centers in increasing geographical access to health, this study includes health workers working in these centers. Unlike other studies done in Kiambu County, the current study uses regression analysis.

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of the study was compensation strategies and employee job satisfaction in the health sector in Kiambu County, Kenya

#### **1.3.2 Specific Objective**

- i) To determine the effect of basic pay on job satisfaction in the health sector in Kiambu County, Kenya.
- ii) To establish the effect of benefits on job satisfaction in the health sector in Kiambu County, Kenya.

- iii) To find out the effect of working condition on job satisfaction in the health sector in Kiambu County, Kenya.
- iv) To examine the effect of recognition on job satisfaction in the health sector in Kiambu County, Kenya.

#### **1.4 Research Questions**

- i) What is the effect of basic pay on job satisfaction in the health sector in Kiambu County, Kenya?
- ii) What is the effect of benefits on job satisfaction in the health sector in Kiambu County, Kenya?
- iii) What is the effect of working condition on job satisfaction in the health sector in Kiambu County, Kenya?
- iv) What is the effect of recognition on job satisfaction in the health sector in Kiambu County, Kenya?

#### **1.5 Significance of the Study**

The study findings are important to national government, County government, non-government organization (NGO) working in health sector and donors. The study findings show factors that are important for job satisfaction in health sector. This should be important to national government as it seeks to improve health care system in Kenya. The study is also important to Kiambu County government, as human resources management in the health sector is under County government. The study findings can also be used by NGO in the health sector to offer a more targeted approach to health by supporting incentives that are likely to improve health workers job satisfaction.

## **1.6 Scope of the Study**

The study focused on health workers in Kiambu County and hence this determined the study boundaries. Hence, the study only included health workers working in Kiambu County. Kiambu County is the second largest County in Kenya in terms of population. Given the large size and its closeness to populous counties like Nairobi, it is likely that health system is overstretched. Hence, Kiambu County was an ideal place to study the effect of compensation strategies on job satisfaction. Though there are many factors that affect job satisfaction, the study focused on basic pay, allowances, working conditions and recognition. The study took a period of one year, May 2019- April 2020. The preparation and approval of the proposal by the supervisor, presentation of the proposal, revision of the proposal, authorization of data collection by the school and the hospital, data collection, analysis and report writing and finally presenting the report. The study used structured questionnaires for data collection as they were easy to administer, less costly and captured the required information for the study. The validity and reliability of the questionnaires was done by piloting the research instrument to ten respondents.

## **1.7 Limitations of the Study**

The study was affected by the following factors that are beyond researchers' control. Data collection depended on the cooperation of the study participants. This was a huge limitation as some of the participants refused to respond and hence the data collected was incomplete. However, to mitigate this problem, the study ensured that the objective of the study is well stated to the participants and the information provided was treated with complete confidentiality and only for the purpose stated. Secondly, it was hard to measure some of the study variables. Individuals were rarely comfortable disclosing their salaries and it was hard to measure job satisfaction objectively.

Hence, salaries and allowances were measured in ranges while the researcher relied on the respondent's opinion to measure job satisfaction.

### **1.8 Organization of the study**

This research project has three chapters. Chapter one consists of the background of the study, research problem, research objectives and research questions. Chapter two reviews the relevant theoretical and empirical literature. Chapter three has the research design to be adopted by the study, empirical model, data analysis, and ethical considerations. Chapter four presents the findings of the study based on the data collected in different hospitals in Kiambu County. Chapter five contains the summary of the study findings, conclusion from the findings, policy recommendation and areas for further research.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter presents relevant theoretical and empirical literature, which forms the grounding for investigating the effect of compensation strategy on job satisfaction in Kiambu County. Finally, the overview of the literature and research gap is discussed.

#### 2.2 Theoretical Review

The study is based on Maslow's Hierarchy of needs, Herzberg's two-factor theory, Equity theory, Aldefer's ERG Theory and Vroom's expectancy theory of human motivation.

##### 2.2.1 Maslow's Hierarchy of Needs Theory

This theory was postulated by Abraham Maslow in 1943. The Maslow' theory argues that people's needs can be arranged in hierarchy from basic to high level (Yaseen, 2013). Hence, people will satisfy basic needs before they try to satisfy needs higher up the hierarchy. The lowest level in the hierarchy of needs is physiological needs, followed by safety, followed by love/belonging, followed by esteem and the highest level is self-actualization (Wamunyu, 2016). The level of motivation of employees depend on how consistent their desires or needs is, anticipation of consequences of certain actions, and the specific acquisitions and risks. Motivation is directly related to personal performance as employees needs to contribute to organizational performance or do their duties more successfully (Sekhar *et al.*, 2013).

Motivation determines employees' desire to increase their efforts, the level of effort, and duration of this level of effort (Campbell, 1990). Therefore, motivation affects the ability of employees to actively choose their task and the ability to maintain a certain effort level until the task completion

(Clark, 2003). Hence, motivation acts as the driving force in the design and creation of tools that people use at work (Hancock, 2009). Motivation can also be seen as a source of power and in this regards it is examined in two dimensions: internal and external. Internal motivation come from within the individual, such as feeling good after completing a task (Hossain & Hossain, 2012). Ryan and Dicky (2002), defines internal motivation as a tendency of individuals to explore innovations, challenges, to expand, develop, discover, and learn their own capacities. They are called internal motivation as they are directly aimed at satisfying the innate psychological needs such as belonging, personal existence, relationship, competence, and autonomy (Kasser & Ryan, 1996; Ryan & Deci 2000).

External motivation refers to the reinforcement which comes from outside individuals, for example, through other people, bearing material, and spiritual values that increase or decrease the probability of recurrence of behavior in both positive and negative ways (Soyer *et al.*, 2010). External motivation is usually a reward received from another person and may be a material or non-material (Buchbinder & Shanks, 2007). Internal motivation is considered better to external motivation in terms of occupational performance and job satisfaction. Intrinsic motivation has a significant effect on employees as they originate from the employees and from the management (Chiang & Shawn Jang, 2008). It is suggested that both internal and external motivations have significant effect on the job satisfaction, but internal motivation are more effective than external motivation (Edrak *et al.*, 2013).

Literature has long emphasized the key role of internal motivation in many social and economic interactions, but external motivation may also affect internal motivation and also contribute to the development internal motivation. However, long-term application of external motivation factors on employees may have a detrimental effect on employees' internal motivations and hence, these

two types of motivation should be evaluated together (Benabou & Tirol, 2003; Moore, 2001). Hence, according to this theory, workers will be more concerned with basic needs like food and shelter, which can be related to level of pay and allowances, but after these are fulfilled needs like self-esteem and job satisfaction becomes important. This theory is relevant to this study in that compensation strategies like basic pay and allowances allows health workers to satisfy psychological and safety needs while recognition and working condition helps improving esteem, foster as sense of belonging and self-actualization. Hence, the theory helps the study to link job satisfaction and compensation strategies.

### **2.2.2 Herzberg's Two Factors Theory**

This theory was developed by Fredrick Herzberg. The Herzberg's two factor theory focuses on two dimension of employee job satisfaction (Gichuru, 2014). It is an improvement on Maslow's theory and argues there are two set of factors that affect satisfaction i.e. motivation and hygiene factors. Hence, the theory is sometimes referred to motivator-hygiene theory or dual structure theory. The theory postulates that work-related characteristics that are related to job dissatisfaction are hygiene factors while work-related characteristics that related to job satisfaction are motivation factors. This theory is relevant to this study as hygiene factors like poor working condition, and inadequate compensation will lead to job dissatisfaction and likely poor job performance. Moreover, motivators factors like recognition, self-esteem and meaningful work are likely improve job satisfaction and hence performance (Ombima, 2014b).

The theory shows that employees can be satisfied by some aspect of the job while simultaneous are dissatisfied with another aspect of the job. Since, factors that leads to job satisfaction and job dissatisfaction are not the same, it is likely that workers may not be satisfied by all job aspect

(Ojakaa *et al.*, 2014). This tension is because hygiene factors are closely related to extrinsic rewards while motivator factors are closely related to intrinsic rewards. Extrinsic factors like pay, allowance and supervision provide the external context of a job. Low pay and lack of promotion is likely to lead to job dissatisfaction. Intrinsic rewards relate to meaningfulness of the work or the nature of work and they play a crucial role in employee's evaluation of work. Therefore, this theory links job satisfaction and intrinsic and extrinsic rewards.

### **2.2.3 Equity Theory**

This theory was developed by John Stacey Adams in 1963. The equity theory postulates that people judge how fairly they are treated using two key factors: input and outcome (Gichuru, 2014). Hence, the satisfaction with a job in health will likely depend on the extent of effort and compensation. Hence, people who put a lot of effort and feel that the compensation is not fair will be dissatisfied with their jobs. Health workers are likely to compare their pay, allowances and other intrinsic rewards and any discrepancy from what is expected may be interpreted as discrimination. If the health workers feel that the treatment is not fair compared to colleagues in the same level, this is likely to lead to job dissatisfaction. This theory is relevant to this study as it shows how basic pay, allowances, working condition and recognition may affect job satisfaction.

### **2.2.4 Alderfer's ERG Theory**

Existence, Relatedness and Growth theory was proposed by Clayton Alderfer in 1969. According to Gichuru (2014), Alderfer's ERG theory argues that human have three sets of human needs; existence, relatedness and growth. The existence needs refer to material and physiological needs. Human beings are concerned by how they may be able to fulfill their obligation, and this means that compensation is important as it enables them meet material and physiological needs.

Relatedness needs are concerned with relationships with other people and are usually satisfied by shared moments. Relationship may occur outside work environment or within working environment. However, good relationship with co-workers is likely to improve job satisfaction in health sector. Lastly, growth needs refer to human desire to productively and creatively improve themselves and their working conditions. These are closely related to career development, promotion and training opportunity in the workplace.

The ERG theory argues that it is hard to predict human needs and hence a strict five-level hierarchy as proposed by Maslow is not appropriate. Moreover, in the workplace employees are different from each other, their needs vary from one to another, and from the same employee over time. There employee's needs may need to be satisfied simultaneously and managers should not focus in satisfying one single need in particular, as this may lead to employee demotivation and a decrease in performance, and in the long term a decrease in employee engagement (Arnolds and Boshoff, 2002).

According to Alderfer (1969), if a need is satisfied on a specific level then the employee can move to the next level, however, if not satisfied then instead of moving on to the next level the employee regress to a lower need which is easier to fulfill. For example, if an employee is striving for self-actualization but the opportunities to grow within the company are limited or null, then he may regress to the relatedness need and socialize more with colleagues. This is because it is easier to fulfill that need at that moment. Hence, the employee will continue to fulfil the lower need until an opportunity to satisfy the higher need becomes available. This is an example of the frustration-regression principle and should be recognized by managers at the earliest stage in order to implement the best methods to minimize frustration as much as possible.

These factors are likely to have huge impact on job satisfaction according to this theory. This theory is relevant to this study as it shows the relationship between hierarchy of needs and satisfaction.

### **2.2.5 Vroom's Expectancy Theory**

This theory was proposed by Victor Vroom in 1964. Expectancy theory postulates that people exert efforts because they want a reward. The theory assumes that first, people joins organization with expectation about their needs, motivations and past experiences (Ngure & Waiganjo, 2017). Second, the theory assumes that workers' behavior is due to conscious choice. Hence, people are free to choose at workplace. Thirdly, every worker may need different things from the organization. This explains the reason why some workers are satisfied with their salary while others are not. Lastly, workers seek to maximize outcomes and hence will choose the best alternative available to them. Hence, job satisfaction will depend on the expectation on reward from the best alternative available to the employee. The reward may be extrinsic like salary and allowances or maybe intrinsic like good working condition and recognition (Yaseen, 2013). Hence, this theory helps to link compensation strategies and job satisfaction.

### **2.3 Empirical Literature**

The study explores the past studies in order to the relationship between compensation strategies and job satisfaction and how they affect the health sector.

### **2.3.1 Basic pay and Job Satisfaction**

A study by Morgan, Dill, and Kalleberg (2013) sought to examine the effect of extrinsic and intrinsic factors on job satisfaction in United States. The study used survey data from frontline healthcare workers and data collected from focus groups. The data used contained 1006 frontline health workers from 25 healthcare organizations. The study used a random effect model to analyze the data. The study found that extrinsic factors like financial reward were significant at 5 percent while intrinsic factors like supervisor support for job tasks, meaningfulness of a job task and co-worker support was significant at 5 percent. The study concluded that financial reward like pay and allowances are important factors for job satisfaction in health sector.

Wamunyu (2016) did a study to investigate factors that influence job satisfaction in public hospitals. The study focused on Kiambu level four hospital in Kiambu County. Specifically, the study investigated the effect of working condition, job description, remuneration and opportunity for career advancement on job satisfaction. Out of a population of 389 health personnel, the study sampled a total of 198 healthcare workers. The study used frequencies and correlation analysis to analyze the data. The study found that working condition had a positive association with job satisfaction. Furthermore, the study found that remuneration had a positive and significant effect on job satisfaction. In particular, majority of employees in high and middle level management agreed that they were satisfied with salary, long term benefits and insurance policies. However, majority of the employees at lower level of management were dissatisfied with pay structure, long-term benefit and insurance schemes.

### **2.3.2 Benefits and Job Satisfaction**

A study done by Gichuru (2014) in Isiolo County, Kenya sought to investigate the influence of the compensation on health worker job satisfaction. The study argued that Isiolo County was experiencing high level of staff shortage and the economic stimulus package have not been able reduce the gap. Hence, the study specifically wanted to examine the influence of direct financial compensation, indirect financial compensation and non-financial compensation on the health workers job satisfaction in Isiolo County. The study used a stratified sampling to collect data from a population of 49 health care workers employed under economic stimulus package (ESP) and 132 health workers employed by public service commission (PSC). The sample consisted of 14 respondents in key ESP and PSC, and 157 health workers. Using descriptive statistics to analyze the data, the study found that the majority of workers under ESP and PSC were dissatisfied with their compensation. The majority of the health workers under ESP were dissatisfied by indirect financial compensation (retirement plan, social security plan and workplace injury compensation plan). For nonfinancial compensation (autonomy, recognition and feedback), the study found that the health workers were no satisfied with the level of nonfinancial compensation.

Muguongo, Muguna and Muriithi (2015) investigated the effects of compensation on job satisfaction among secondary school teachers. The study was done at Tharaka-Nithi County in Kenya. The study used expectation theory to explain the relationship between compensation and job satisfaction. Using a sample of 214 respondents, the study found that allowances have a significant effect on job satisfaction.

A study by Salisu, Chinyio & Suresh (2015), investigated the impact of compensation on job satisfaction in Nigeria. The study used Dual factor theory to link compensation and job

satisfaction. Using a sample of 260 respondent, the study found that basic pay and allowances do not have a significant impact on job satisfaction.

### **2.3.3 Working Condition and Job Satisfaction**

Ombima (2014) did a study to investigate factors affecting employee job satisfaction in Kenya. The study focused on employees in United States International University (USIU). Specifically, the study investigated the economic, environmental and strategies that affected job satisfaction at USIU. From a population of 353 employees, a sample of 106 was taken using a stratified random sampling and the data was analyzed using frequency tables, figures and regression analysis. The study found that employees' salary was paid on time though it did match the cost of living. Multiple regression analysis found that economic factors are not significant determinant of job satisfaction while environmental factors are significant determinant of job satisfaction at 5 percent. Hence, the study indicates working conditions are important to job satisfaction.

Muguongo, Muguna and Muriithi (2015) investigated the effects of compensation on job satisfaction among secondary school teachers. The study was done at Tharaka-Nithi County in Kenya. The study used expectation theory to explain the relationship between compensation and job satisfaction. Using a sample of 214 respondents, the study found that working condition have a significant effect on job satisfaction.

### **2.3.4 Recognition and Job Satisfaction**

Ali and Wajidi (2013) investigated factors that affect job satisfaction in public health sector in Pakistan. The study hypothesized that working environment, professional opportunity, time pressure, promotion schemes and compensation policies had a positive and a significant effect on job satisfaction. The study used convenience sampling and a sample of 200 healthcare workers

was collected. The data was analyzed using regression analysis. The study found that professional opportunity, time pressure, and promotion had a positive and significant effect on job satisfaction at 5 percent. However, Compensation and work environment were not significant at 5 percent.

A study done by Yaseen (2013) in Punjab sought to investigate the effect of compensation factors on the doctor's job satisfaction. The hypothesis of the study was that basic pay, recognition, promotion opportunity and meaningful work had a direct relationship with job satisfaction. The study used a simple random sampling to collect data from government hospitals in major cities in Punjab. Out of the population, a sample of 166 doctors was taken. The study used correlation and regression analysis to analyze the data. The study found that pay, recognition, promotion and meaningful work are positively and significantly correlated with job satisfaction at 5 percent level of significance. Regression analysis found that promotion opportunity and meaningful work are significant determinants of job satisfaction among doctors in Punjab while pay and recognition are not significant at 5 percent.

## 2.4 Summary of Empirical Review and Research Gaps

Table 1.1: Summary of Literature Reviewed and Research Gaps

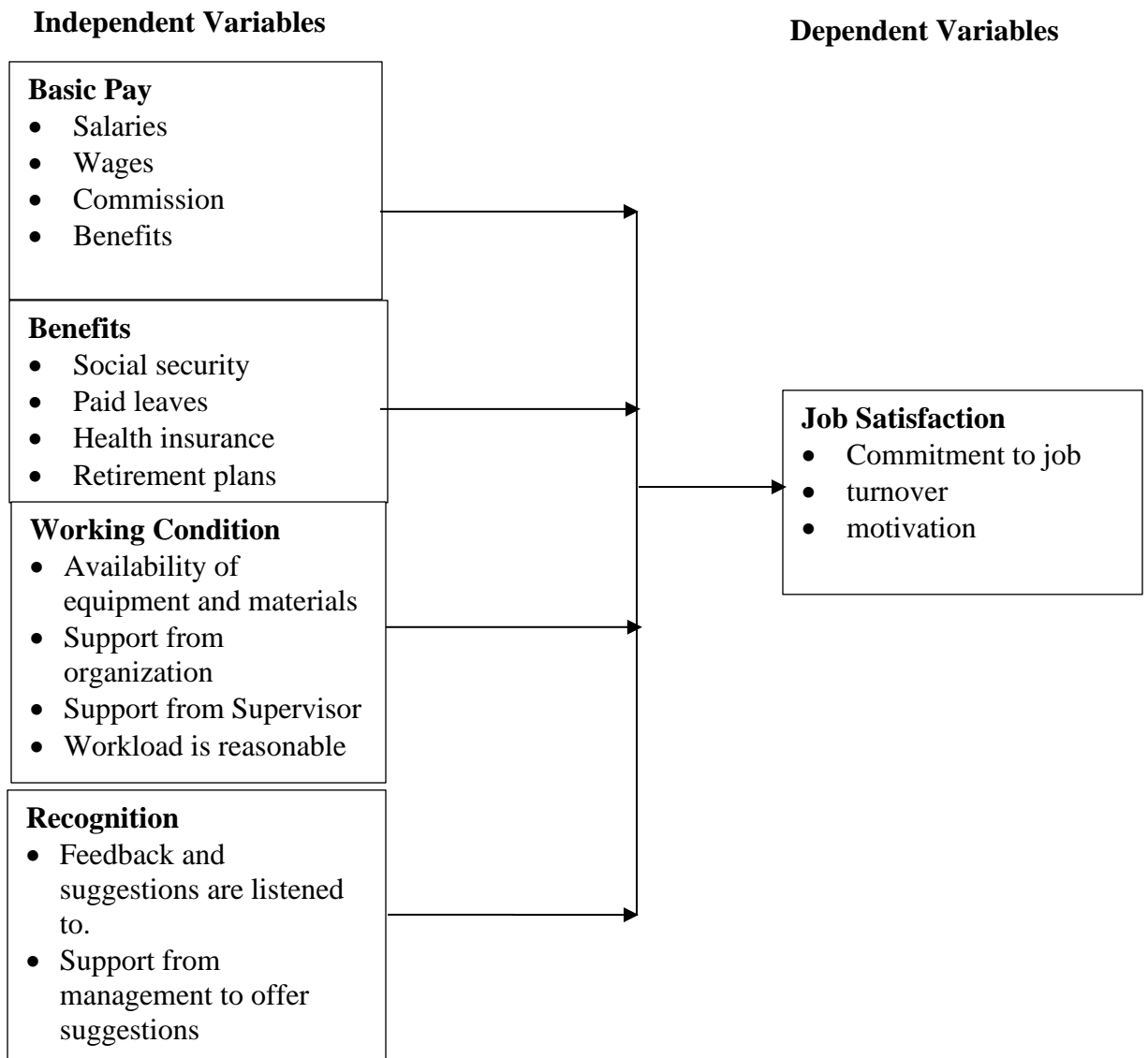
<b>Researcher</b>	<b>Title</b>	<b>Findings</b>	<b>Focus of current Study</b>	<b>Research gaps</b>
Ali & Wajidi, (2013)	Factors Influencing Job Satisfaction in Public Healthcare Sector of Pakistan.	Opportunities for career development, working time and promotional schemes of the organizations have high associations with job satisfaction whereas work environment was found to have low significance towards job satisfaction.	The context of the study is Pakistan while this study focuses on Kiambu County in Kenya.	This study focuses on basic pay, benefits, working conditions and recognition
Morgan et al., (2013)	The quality of healthcare jobs : can intrinsic rewards compensate for low extrinsic rewards?	Both intrinsic and extrinsic characteristics are significant predictors of job satisfaction, but only extrinsic characteristics help explain intent to stay with the employer.	This study focuses on compensation strategies and job satisfaction focusing on specific variables.	This study will collect data using a questionnaire only while the Morgan’s study used mixed methods of questionnaire and focus groups. This study is focusing on tier 2 to 4 health facilities within Kiambu County.
Ombima,(2014)	Factors Affecting Employee Job Satisfaction in Institutions of Higher Education in Kenya: A Case Study of United	Respondents’ decision to work with USIU was predicated on better pay and incentives.	Study is more broad-based compensation strategies for the health facilities in Kiambu against job satisfaction.	The context is USIU which is an educational institution while the current study is focusing on health facilities within Kiambu County

	States International University (USIU).			
Wamunyu, (2016)	Factors Influencing Health Workers' Job Satisfaction in Public Hospitals: a Case of Kiambu Level Four Hospital in Kiambu County, Kenya.	There was a relationship between working conditions and health workers' job satisfaction. The study also concluded that job description had an influence on employees' job satisfaction. The study also concluded that there was a relationship between remuneration and health workers' job satisfaction and that opportunity for personal advancement had a relationship with health workers' job satisfaction in public hospitals a case of Kiambu Level Four.	This study is specifically addressing compensation strategies for job satisfaction	Contextually, the scholars study focused on Kiambu level 4 hospital while this study will focus on all level 2 to 4 in Kiambu County. Conceptually, that study on other factors that Influence job satisfaction. This study is specifically focusing on; basic pay, allowances, working conditions and recognition.
Yaseen, (2013)	Effect of Compensation Factors on Employee Satisfaction- A Study of Doctor's Dissatisfaction in Punjab	Pay, recognition, promotion opportunities, and meaningful work are factors of compensation management, which have direct effect on job satisfaction on doctors.	This study focuses on a spectrum of health workers across board while that study focused on doctors only.	The study was done in Punjab. This study will be done in Kenya. Specifically Kiambu County.

Source: Researcher, (2019)

## 2.5 Conceptual Framework

A conceptual framework is a diagrammatic representation of the relationship between variables of the study. From the theoretical and empirical literature, the study argues that job satisfaction is related to basic pay, allowances, working conditions and recognition. It is hypothesized that each of these factors has a direct relationship with the dependent variable i.e. job satisfaction



Source: Researcher, (2019)

Figure 2.1: Conceptual Framework

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research design that is to be adopted by the study, empirical model, population to be studied, sampling design, data collection instruments, reliability and validity of research instruments, data analysis and presentation and ethical issues.

#### **3.2 Research Design**

The study adopted an exploratory descriptive research design. Kothari (2004) articulates that, research design is the arrangement of tools and conditions for data collection and analysis in a way that help achieve the research objective. The research design contains a blueprint for data collection, measurement of variables and data analysis. The non-experimental research design is appropriate for this study since the research did not have control over the variables of the study. The design is also cross-sectional in nature since it enables the researcher to collect data at one specific point in time for group of individuals. Hence, the research design is able to get information on status and past information about study subjects.

#### **3.3 Target Population**

The target population refers to the total number of study subject. It is a set of objects, individuals or items from which a representative sample can be drawn. The study target population was all health workers working in health facilities (Tier 2 to Tier 4) in Kiambu County. The study location was Kiambu County in Kenya. The justification of picking Kiambu County is that the County faces unique challenge in health sectors. The County borders Nairobi, Nakuru and Murang'a counties with a catchment population of around 3-5 million on average (County Government of Kiambu, 2016). Hence, given the large number of people

that the County may be serving, it is likely that the health workers maybe overstretched, and this may have an impact on their productivity and job satisfaction.

Table 3.1: Target Population

<b>Designation</b>	<b>Frequency</b>	<b>%</b>
Doctors	60	10.27
Nurses	200	70.42
Midwives	120	20.55
Lab attendants	40	6.85
Pharmacists	32	5.48
Physiotherapists	12	2.06
Mortuary attendants	40	6.85
Finance	32	5.48
Human Resources	16	2.74
Administration	24	4.11
Operations	8	1.37
<b>Total</b>	<b>584</b>	<b>100.00</b>

**Source: Kiambu County (2019)**

### **3.4 Sampling Design**

The research used a stratified sampling technique to select the study participants. The stratified sampling technique is appropriate in this study in selection of hospital to be included in the study. The technique enables stratification of the population into homogenous groups and ensures that the final sample is proportional to the size of target population. The target population is the staff working in health provision facilities. The unit of analysis is health professionals working in these institutions.

A sample is a subset of respondents that is selected from the target population for the purpose of the study. For the study results to be extrapolated to the population, the sample should be representative of the target population. According to Mugenda and Mugenda (2003), a sample

size of 10 percent of the accessible population is acceptable while 30 percent or more maybe appropriate for a smaller population. This study used 20% of target population as the sample size.

Table 3.2: Sample Size

<b>Designation</b>	<b>Frequency</b>	<b>Factor</b>	<b>Sample</b>
Doctors	60	0.2	12
Nurses	200	0.2	40
Midwives	120	0.2	32
Lab attendants	40	0.2	8
Pharmacists	32	0.2	10
Physiotherapists	12	0.2	3
Mortuary attendants	40	0.2	8
Finance	32	0.2	6
Human Resources	16	0.2	3
Administration	24	0.2	5
Operations	8	0.2	2
<b>Total</b>	<b>584</b>	<b>0.2</b>	<b>129</b>

**Source: Researcher, (2019)**

### **3.5 Data Collection Instruments**

This study used structured questionnaires for data collection as were easy to administer, less costly and were capable of capturing the required information for the study. Moreover, according to Kothari (2003), structured questionnaires are objective, precise and thus accurate when it comes to analysis. The instruments had four sections corresponding to different issues addressed by the research objectives. The first section detailed demographic characteristics, second section assessed job satisfaction, the third section assessed working conditions and the last section assessed recognition in the selected health facilities.

### **3.6 Pilot Study**

Pilot study refers to a small test using a small number of respondents mainly to help the researcher to assess the quality of the questionnaires and identify weaknesses in the data collection process before the final survey (Orodho, 2005). Connelly (2008) argues that a pilot study sample should be 10% of the sample projected for the larger parent study. On the hand, Hertzog (2008) argues that sample size for pilot study may not be easy to determine as studies are influenced by many factors. Nevertheless, in literature there are several suggestions: Isaac and Michael (1995) and Hill (1998) suggested 10 to 30 participants for pilot study. The current study interviewed 10 participants for pilot study, but they were not included in the final survey. The pilot study enabled the researcher to identify errors and missing items in the questionnaires and ensures the questionnaires are reliable and valid. Questionnaires were used as data collection instruments because those involved in the study are literate and therefore, they need minimal interpretations of what is contained in the questionnaires. There were two types of questions in the questionnaires; likert scale questions that respondents will be required to rate answer as per their level of agreement and open-ended questions for additional information on the key variables.

### **3.7 Validity and Reliability of Data Collection Instrument**

Validity refers to the extent to which a score from a measure represent the variable they are intended to. On the other hand, reliability of survey instruments refers to ability of the instrument to be consistent in the production of results. Validity and reliability of the questionnaires was assessed by piloting the research instruments to 10 respondents.

### 3.7.1 Validity of Data Collection Instrument

Instrument validity is important as it ensures the scores measure what they are supposed to measure. In this study, criterion validity test was used. Criterion validity is examining the extent to which a score on a measure is correlated with other variables (Cohen & Swerdlik, 2005). Where validity has been established, any inferences made from such data is assumed to be accurate and meaningful (Mugenda & Mugenda, 2003).

### 3.7.2 Reliability of Data Collection Instrument

To test the reliability of the survey items, the study used Cronbach's alpha. Cronbach's alpha measures the internal consistency of the survey items or how closely related a set of items are as a group. The alpha coefficient ranges between 0-1. A higher value indicates the instrument is reliable and according to Cooper and Schindler (2008), alpha above 0.7 is acceptable. Table 3.3 shows that the Cronbach alpha of all survey items (benefits, working condition, recognition, and job satisfaction) was 0.95 which is higher than 0.70 coefficient that is recommended for social science. According to Copper and Schindler (2011); Criswell (2014); Mugenda & Mugenda (2013), a Cronbach coefficient of above 0.7 is acceptable. This implies the survey items have relatively high internal consistency.

Table 3.3: Reliability analysis

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.946	0.945	28

Source: Author's computation (2020)

Table 3.3 shows the reliability test for each variable of the study i.e. job satisfaction, benefits, working conditions and recognition. The table shows that the items in each variable are

consistent measure of each variable as the Cronbach alpha is higher than 0.7. The Cronbach alpha for benefits is 0.88, for working conditions is 0.90, for recognition is 0.87 and for job satisfaction is 0.90. Therefore, as per the reliability analysis in table 3.3 the survey instrument had a strong internal constituency.

Table 3.4: Reliability analysis per variable

<b>Variable</b>	<b>Number of items</b>	<b>Cronbach's Alpha</b>
Benefits	5	0.883
Working conditions	7	0.904
Recognition	7	0.865
Job satisfaction	9	0.903

Source: Author's computation (2020)

### **3.8 Data Collection Procedure**

The questionnaires were administered to the respondents by dropping them at respondents working station in the morning and picking them at the evening. This is due to the nature and mode of work of the respondents. Once the filled questionnaires have been picked, any follow up questions were made where necessary. An assurance letter was attached to the questionnaire, guarantee the confidentiality of the information provided by the respondent and how the data was processed and used.

### **3.9 Data Analysis and Presentation**

The questionnaires were coded into a spreadsheet, edited and analyzed using Statistical Package for Social Science (SPSS). The data quality test was done to ensure that the data is reliable and valid for analysis. Using SPSS, the research will do descriptive statistics and they will be presented in pie charts, bar graphs, tables of percentages, mean etc. The descriptive statistics gives a summary of the respondent characteristics and is important in interpretation

of the inferential statistics. To achieve the research objective, the study estimated the effect of basic pay, allowances, working condition and recognition on job satisfaction using a multiple regression analysis.

The regression model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \alpha$$

Where Y is the dependent variable (employee job satisfaction),

$\beta_0$  is the regression coefficient,

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  are the slopes of the regression equation,

$X_1$  = Basic pay

$X_2$  = allowance

$X_3$  = working condition

$X_4$  = recognition

$\alpha$  = an error term.

### **3.10 Ethical Considerations**

Ethical considerations are important when conducting research that involves human subjects. This includes protection from harm from research instrument or from co-workers who may disapprove the subject involvement. Hence, it is important to obtain informed consent from the participants, ensure that the data collected does not show who answered the questionnaires and maintain confidentiality of the participants. To ensure that the study adhere to ethical standards, the study was reviewed by Kenyatta University ethical committee and approval to conduct the study was sought from NACOSTI. Moreover, the researcher ensured that the data was anonymous and participant identity kept confidential.

The researcher also explained to participant the purpose of the study and what was expected from them. Moreover, the participants were informed that they have a right to participant or not participant and there was no repercussion if they chose not to participant. The data collected did not include names or facilities it was collected from to ensure anonymity. The data could only be shared with the supervisors and used only for the purpose stated.

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the findings of the study and discusses the findings. The main objective of the study was to examine the effect of compensation strategies on employee's job satisfaction in the health sector in Kiambu county, Kenya. The findings are based on the data collected in different hospitals in Kiambu county using questionnaires.

##### 4.1.1 Response Rate

Table 4.1 shows that out of the 129 questionnaires sent out to various categories of employees to hospitals in Kiambu county, 106 were duly filled and returned while 23 were not returned.

Table 4.1 Response Rate

<b>Designation</b>	<b>Number of questionnaires</b>	<b>Number respondents (response rate, %)</b>
Doctors	12	10 (83.3%)
Nurses	40	26(65%)
Midwives	24	24(100%)
Lab attendants	16	16(100%)
Pharmacists	7	7(100%)
Physiotherapists	3	3(100%)
Mortuary attendants	8	2(25%)
Finance	6	5(83.3%)
Human Resources	4	4(100%)
Administration	5	5(100%)
Operations	4	4(100%)
<b>Total</b>	<b>129</b>	<b>106(82.2%)</b>

Source: Author's computation (2020)

Table 4.1 shows that the overall response rate was 82.2 percent which was above the 50 percent response rate recommended in social science research by Mugenda & Mugenda (2013). Moreover, the table shows that in each category of the employees, the study was able to achieve at least 50 percent response rate except for mortuary attendants. The categories with the highest response rate (100%) were midwives, lab attendants, pharmacists, physiotherapists, human resources, administration, and operations. Doctors and finance also had a high response rate of 83.3 percent while nurses had a response rate of 65 percent.

#### 4.2 Demographic information

In this section, the study presents respondents' characteristics in terms of gender, age, level of education, and experience. Figure 4.1 shows the distribution of respondents according to gender. The figure shows that 45.3 percent of the respondents were male while 54.7 percent were female. This implies that distribution of gender is not highly skewed to one gender. Goetz et al. (2015) found similar distribution of health care staff in Kenya, with 40 percent of the sample being male and 57.5 percent female.

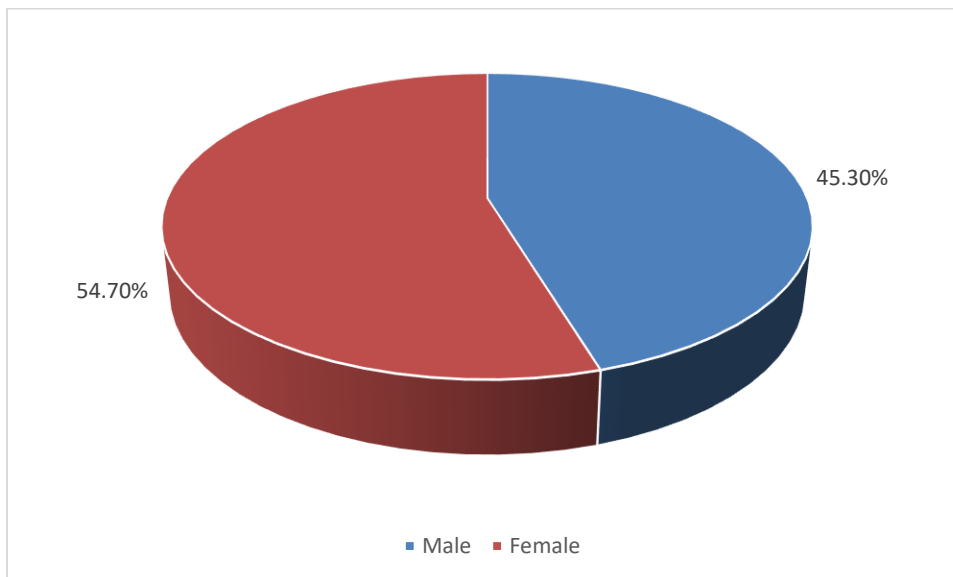


Figure 4.1: Gender distribution  
Source: Author's computation (2020)

Figure 4.2 shows the distribution of age of the study respondents. Age is not recorded as continuous variable but as discrete variable and hence the table shows age bracket of the respondents.

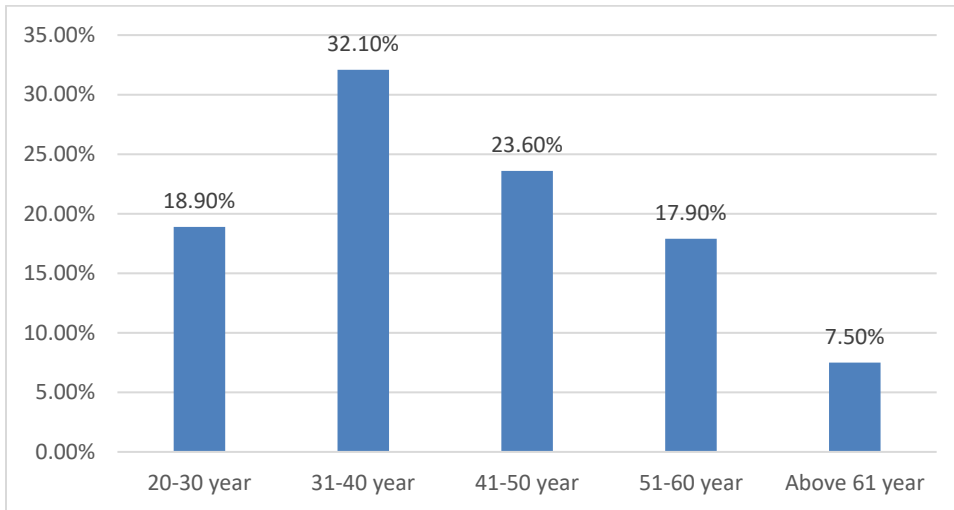


Figure 4.2: Age distribution

Source: Author's computation (2020)

Figure 4.2 shows that the majority of the respondents are aged between 31 to 40 years. Moreover, the figure shows that respondents aged between 20-30 years constitutes 18.9 percent of the respondents, 41-50 years constitutes 23.6 percent, 51-60 constitutes 17.9 percent, and respondents above 61 years constitutes 7.5 percent. This implies almost half of the health care worker below the age of 40 years.

Figure 4.3 shows the level of education of the respondents. The figure shows that 31.1 percent of the respondents have bachelor's degrees, 17.9 percent have a master's degree, 7.5 percent have a PhD degree, 13.2 percent have certificate, and 22.6 percent have a diploma. This implies that the sample of the respondents is relatively educated compared to general population where most people have a primary education.

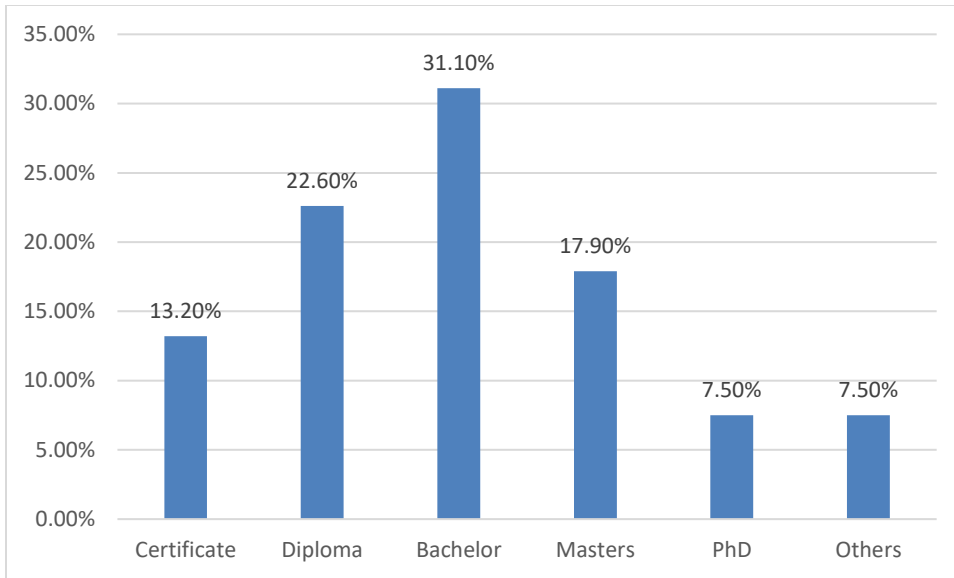


Figure 4.3: Level of Education

Source: Author's computation (2020)

Figure 4.4 shows that the respondents are highly experienced. The majority (35.8 percent) of the respondents have 6-10 years. The figure also shows that 20.8 percent of the respondents have less than 1 year of experience, 27.4 percent of the respondents have 1 to 5 years of experience and 16 percent of the respondents have more than 10 years of experience. This implies that respondents are quite experienced with 6-10 years being the mode. The level of experience compares well with Goetz et al. (2015) who found that the mean year of experience in health care sector is 5.9 years.

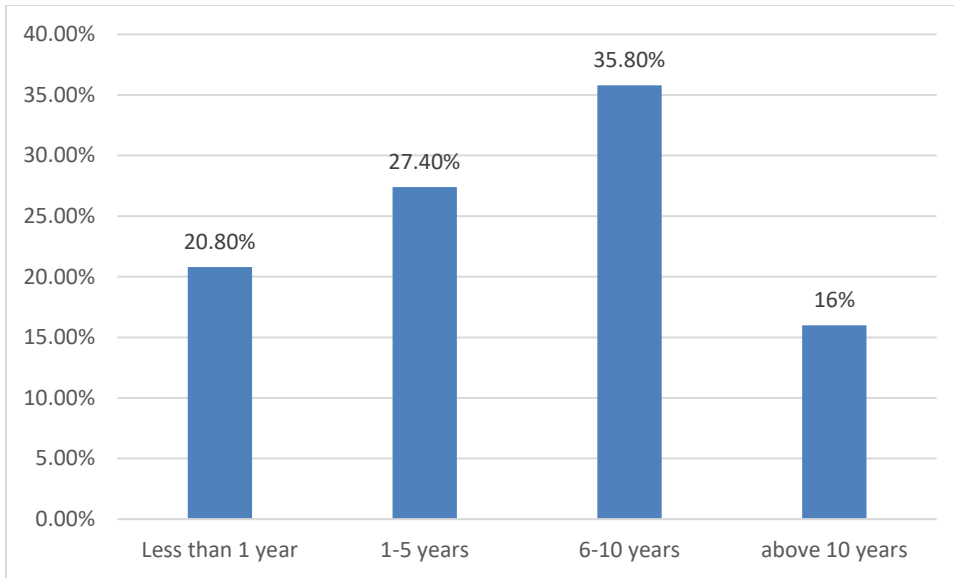


Figure 4.4: Level of experience

Source: Author's computation (2020)

Figure 4.5 shows the distribution of the job titles of the respondents. The figure shows that the nurses and midwives constitute 24.5 percent and 22.6 percent of the respondents respectively.

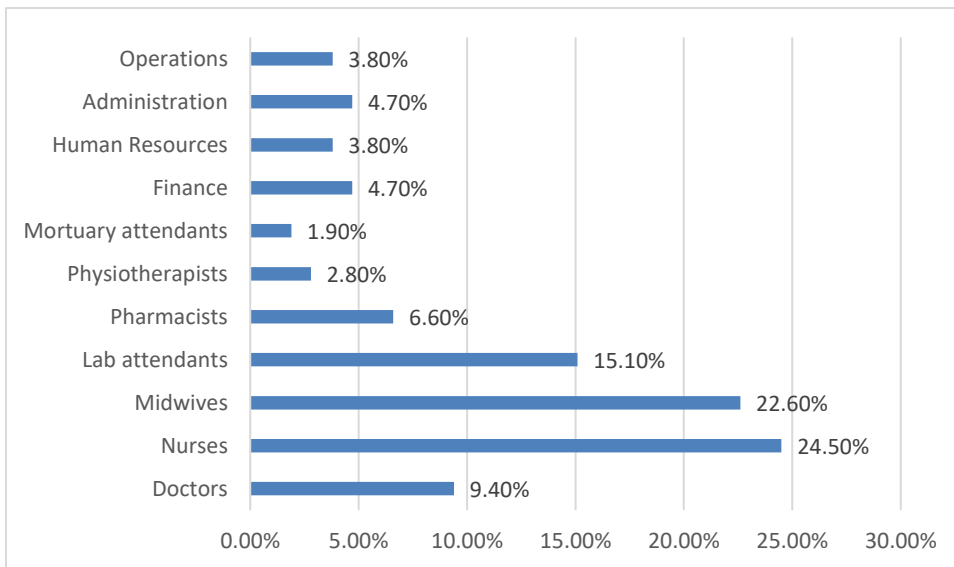


Figure 4.5: Job titles of the respondents

Source: Author's computation (2020)

The figure also shows that the proportions of doctors in the sample is 9.4 percent, for lab attendants is 15.1 percent, for pharmacists is 6.6 percent, for physiotherapists is 2.8 percent, for mortuary attendants is 1.9 percent, for finance personnel is 4.7 percent, for human resources is 3.8 percent, for administration is 4.7 percent, and for operations is 3.8 percent.

Figure 4.6 shows the distribution of the salary of the respondents. The figure shows that 0.9 percent of the respondents earns between Ksh. 10,000-20,000 while 15.1 percent earns above Ksh. 70,000. Moreover, 5.7 percent of the respondents earns between Ksh. 20,001-30,000, 11.3 percent earns between Ksh. 30,001-40,000, 19.8 percent earns between Ksh. 40,001-50,000, 23.6 percent of respondents earns between Ksh. 50,001-60,000, and 23.6 percent earns between Ksh. 60,001-70,000.

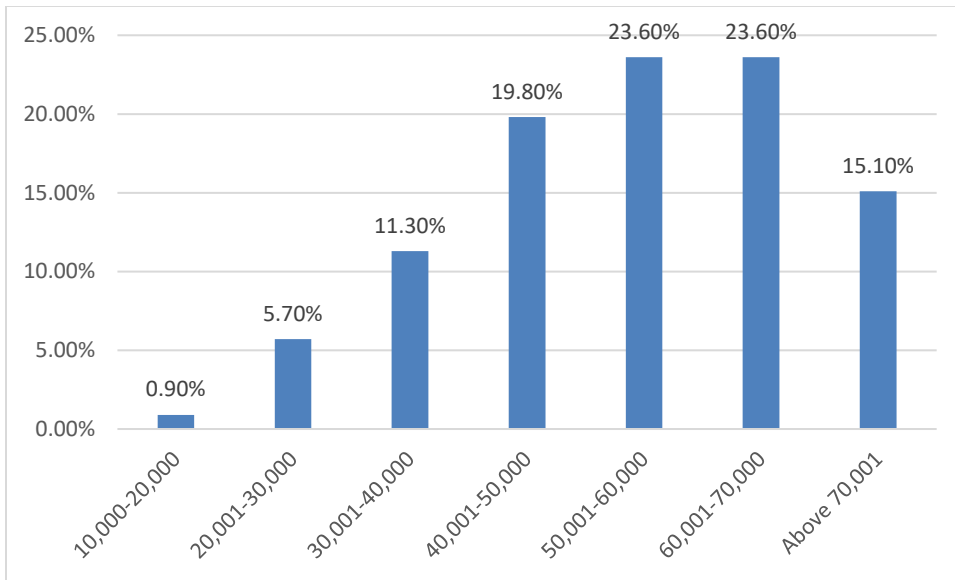


Figure 4.6: Distribution of salary earned by the respondents.

Source: Author’s computation (2020)

Figure 4.7 shows the type of benefits respondents are entitled to. The figure shows that 23.6 percent of the respondents have social security, 41.5 percent have health insurance benefits,

15.1 percent have house allowances, 9.4 percent have paid sick leaves, 6.6 percent have retirement benefits and 3.8 percent are entitled to other benefits.

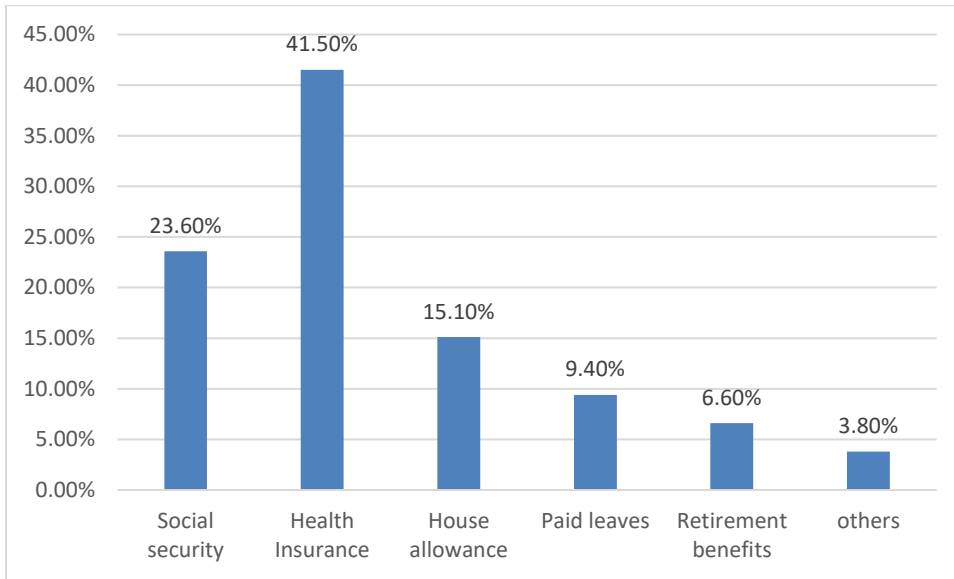


Figure 4.7: Benefits

Source: Author's computation (2020)

#### 4.2.1 Descriptive Analysis

The study conducted descriptive statistics to show the distribution of the responses to different questions and the distribution of the survey respondents. Descriptive analysis is important as it shows variables that may have outliers and other data anomalies that may invalidate inferential analysis. The study focused on the respondents' characteristics and jobs' characteristics.

#### 4.2.2 Employees' Benefits

As shown above, health workers in Kiambu county receive different benefits. Table 4.7 shows that hospitals offer social security, health insurance, house allowance, paid sick leaves, retirement benefits among others. In this section we investigate whether the health workers are

satisfied by the benefits they receive. To measure if the health workers are satisfied by the benefits, the study uses five-point Likert scale where 1, 2, 3, 4, and 5 represents strongly disagree, disagree, neutral, agree and strongly agree respectively. Table 4.2 shows the health workers agreement with different questions about their benefits. The table shows the number of observations, minimum, maximum, mean and standard deviation.

Table 4.2: Employees' Benefits

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Employees in my organization are fairly rewarded	106	1	5	4.12	0.943
I am satisfied with the existing salary structure of the hospitals' works and contributions	106	2	5	3.88	0.813
I am satisfied with long term benefits and insurance policies of the organization	106	1	5	3.91	0.857
I am satisfied with the compensation I get and I think it matches with my responsibility	106	1	5	3.84	0.794
My remuneration is able to cater for my daily needs	106	1	5	3.86	0.951
Valid N (list wise)	106				

Source: Authors' computation (2020)

Table 4.2 shows that on average employees in the sample agrees with the statements that employees are fairly rewarded. The statement had a mean of 4.12 with standard deviation of 0.943. The participants agree that they are satisfied with existing salary and worker's contribution. The statement had a mean of 3.88 and a standard deviation of 0.813. The statement on whether the participants are satisfied on long term benefits had a mean of 3.91 and standard deviation of 0.794. On average, the participants agree that compensation matches with responsibility. The statement had a mean of 3.84 with a standard deviation of 0.794. The

statement on whether the remuneration was able to cater for daily needs had a mean of 3.86 with a standard deviation of 0.95. This indicates that on average the participants agree that the compensation is able to cater for daily needs.

Generally, the table shows that the participants agree that remunerations are satisfactory. The study found that the participants feel that the compensations are fair and matches with their responsibility. As argued by equity theory, if employees feel that their rewards do not match with their responsibilities, they may be dissatisfied with jobs which impacts the performance. The study findings agree with Sarah (2016) which founds that in Kiambu level four hospital employees are satisfied with their remunerations and responsibility matches the rewards.

#### 4.2.3 Working condition

Table 4.3 shows minimum, maximum, mean and standard deviation of rating of different statements. Working conditions are likely to have impact on employee's performance. Poor working conditions are likely to demoralize employees and hence, will lead to poor job performance. To understand how employees feel about working conditions in Kiambu hospital, the study requested participants to rate several statements on the Likert scale.

Table 4.3: Working Condition

Statements	N	Minimum	Maximum	Mean	Std. Deviation
I am satisfied with working relationships with people around me	106	2	5	3.75	.754
I am satisfied with the working environment of the hospital	106	2	5	3.92	.789
I am satisfied with job security	106	2	5	3.76	.775
I am satisfied with organization culture	106	2	5	3.72	.765

I receive enough support from management	106	2	5	3.80	.723
My role in the organization is clearly defined	106	2	5	3.84	.770
My department provides all the equipment, supplies, and resources necessary for me to perform my duties	106	2	5	3.74	.820
Valid N (list wise)	<b>106</b>				

Source: Author's computation (2020)

Table 4.3 shows that on average the participants agree that they are satisfied with working relationships with people around them. The statement had a mean of 3.75 and a standard deviation of 0.75. The statement “I am satisfied with the working environment of the hospital” had a mean of 3.92 and standard deviation of 0.789. This implies that on average participants are satisfied with the working environment of the hospital. The statement on “I am satisfied with job security” had a mean of 3.76 and standard deviation of 0.775. This implies that the participants on average agree that they are satisfied with their job security. The statement “I am satisfied with organization culture” had a mean of 3.72 with a standard deviation of 0.765. On average, this implies that the participants agree that they are satisfied with organization culture. Further, the study found that participants on average agree that they receive enough support from management and their role in the organization is clearly defined. The study also found that on average the participants agree that the department provides all the equipment, supplies and resources necessary to perform their duties.

The results generally indicate the working conditions in Kiambu hospital is satisfactory. Most of the statement has a mean of approximately 4 which indicates that the participants agree with statement. However, there is huge variation as the standard deviation for the most

statement is around 0.8. The study findings agrees with Thuita and Oiye (2018) which found that majority employees in export processing zones in Kilifi agree or strongly agree that they have the tools to do their jobs and the working environment is conducive. The study findings also confirms Hagopian *et al.* (2009) study that found that on average Uganda health workers agree that they have job security, the tools and equipment to do their work.

#### 4.2.4 Recognition

Recognition is likely to improve workers’ motivation and hence contribute to better performance. To understand how employees feels about recognition in Kiambu hospital, the study requested participants to rate several statements on the Likert scale from strongly agree (5) to strongly disagree (1). Table 4.4 shows minimum, maximum, mean and standard deviation of rating of different statements.

Table 4.4: Recognition

Statement	N	Minimum	Maximum	Mean	Std. Deviation
I feel properly appreciated when I do a good job	106	2	5	3.82	.837
My opinion and thoughts are heard	106	2	5	3.84	.806
My supervisor cares about me as a team member	106	2	5	3.69	.748
My work is valued and appreciated	106	2	5	3.89	.760
I have decent chance of being promoted	106	1	5	3.84	.896
Rewards and recognition provided by the organization are satisfactory	106	2	5	3.92	.818
Management makes changes based on my suggestion and feedback	106	1	5	4.10	.883
<b>Valid N</b>	<b>106</b>				

Source: Author’s Computation (2020)

Table 4.4 shows that on average the participants agree that they feel appreciated when they do a good job. The statement had a mean of 3.82 and a standard deviation of 0.84. The statement

“My opinion and thoughts are heard” had a mean of 3.84 with standard deviation of 0.81. This implies that on average the participants agree that their opinions and thoughts are heard at workplace. The study also found that the participants agree that supervisors’ cares about me as a team member. The statement had a mean of 3.69 with a standard deviation of 0.75. On whether “my work is valued and appreciated”, the participants agree with the statement with a mean of 3.89 and standard deviation of 0.76. The statement that “I have a decent chance of being promoted” had a mean of 3.84 and standard deviation of 0.896. This indicates that on average the respondents agree with the statement. The statement “Rewards and recognition provided by the organization are satisfactory” had a mean of 3.92 with standard deviation of 0.82. This implies that on average the participants agree with the statement. Lastly, the participants on average agree with the statement that “management makes changes based on my suggestion and feedback”. The statement had a mean of 4.10 and a standard deviation of 0.883.

The results on average shows that participants agree that their contribution at workplace are recognized. Most of the statement had a mean of approximately 4. This finding agree with Kagathi and Waiganjo (2017) which found that majority of employees in the public health sector agree that there are good opportunities for promotion in their organization. However, the findings disagree with Hagopian *et al.* (2009) which found that on average, employees in Uganda health sector are neither disagree or agree on whether they receive recognition on doing good work. The disagreement in the findings may be due to the fact the two studies use different samples. However, the study confirm Hagopian *et al.* (2009) which shows that employees in Uganda health sector agree that their supervisor cares about them as a person.

#### 4.2.5 Job Satisfaction

As indicated in previous chapters, job satisfaction is key for employee performance. Different theories show that job satisfaction increases the employees' performance, and employees' retention. In health sector, job satisfaction is key due to the important nature of the work. To understand how employees feel about their jobs in Kiambu hospital, the study requested participants to rate several statements on the Likert scale from strongly agree (5) to strongly disagree (1). Table 4.5 shows minimum, maximum, mean and standard deviation of rating of different statements.

Table 4.5: Job Satisfaction

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Management is supportive of me	106	2	5	4	.828
The organization provide enough training to perform my job	106	1	5	3.81	.794
I feel encouraged by management to offer suggestions	106	2	5	3.82	.766
Organization policies and rules enables me to do my work well	106	1	5	4.02	.884
I rate highly this health facility as a good place to work	106	1	5	4.04	.985
I have decent opportunity to improve my skills	106	1	5	3.95	.898
I have clearly defined job description	106	2	5	4.03	.798
My weekly assignment is reasonable	106	2	5	3.77	.784
I would recommend this health facility to other workers as good place to work	106	2	5	3.72	0.802
<b>Valid N</b>	<b>106</b>				

Source: Author's Computation (2020)

Table 4.5 show that on average the participants agree that they feel management is supportive of them. The statement had a mean of 4 and standard deviation of 0.83. The statement "The organization provide enough training to perform my job" had a mean of 3.8 with standard

deviation of 0.79. This implies that on average the participants agree that the organization provide enough training for them to perform their jobs. The statement “I feel encouraged by management to offer suggestions” had a mean of 3.8 and standard deviation of 0.77. This indicates that on average the participants agree with the statement. On whether, “Organization policies and rules enables me to do my work well”, the study found a mean of 4.02 with a standard deviation of 0.884, which implies on average the participants agree with the statement. The statement “I rate highly this health facility as a good place to work” had a mean of 4.04 and standard deviation of 0.985 which implies that on average the participants agree with the statement. On whether there are decent opportunities to improve skills, the study found a mean of 3.95 with standard deviation which indicates that on average the participants agree with the statement. The statement “I have clearly defined job description” had a mean of 4.03 with standard deviation of 0.798. This implies that participants agree with the statement. The participant also agreed that “my weekly assignment is reasonable” and “I would recommend this health facility to other workers as good place to work” which had a mean of 3.77 and 3.72 respectively.

The results show that on average, participants agree that they are satisfied in their jobs. Most of the statement had a mean of approximately 4. The results agrees with Goetz *et al.* (2015) study which found that participants agree that they have opportunities to attend training in Kenya health sector. The finding also confirm Morgan *et al.* (2013) which found healthcare worker agree that they likely to recommend their health facility as a good place to work. The study finding shows that generally, healthcare workers in Kiambu are satisfied with jobs.

### 4.3 Study Variables Correlation Analysis

This section explores the relationship among the variables using correlation analysis. The study used Pearson correlation to measure the direction of the relationship and the strength of the relationship among independent and dependent variables. Table 4.6 shows the direction, strength, and statistical significance of the correlation analysis.

Table 4.6: Correlation Analysis

		Job Satisfaction	Benefit	Working Condition	recognition	Basic Pay
Job Satisfaction	Pearson Correlation	1	.556**	.540**	.721**	-.077
	Sig. (2-tailed)		.000	.000	.000	.433
	N	106	106	106	106	106
Benefit	Pearson Correlation	.556**	1	.441**	.696**	.083
	Sig. (2-tailed)	.000		.000	.000	.400
	N	106	106	106	106	106
Working Condition	Pearson Correlation	.540**	.441**	1	.405**	-.024
	Sig. (2-tailed)	.000	.000		.000	.811
	N	106	106	106	106	106
Recognition	Pearson Correlation	.721**	.696**	.405**	1	.051
	Sig. (2-tailed)	.000	.000	.000		.601
	N	106	106	106	106	106
Basic Pay	Pearson Correlation	-.077	.083	-.024	.051	1
	Sig. (2-tailed)	.433	.400	.811	.601	
	N	106	106	106	106	106

NB: \*\*Correlation is significant at the 0.01 level (2-tailed)

Source: Author's Computation (2020)

Table 4.6 shows that the Pearson correlation coefficient for all pairs of variables is less than 0.8. This is important since regression analysis requires the independent variable not to be highly correlated. The table shows that job satisfaction and benefits are positively correlated, and the coefficient is statistically significant at 1 percent level of significance. The Pearson correlation coefficient is 0.556 (p-value == 0.000). This implies increase in benefits leads to

statistically significant increase in job satisfaction. The results suggest that one way to improve job satisfaction among healthcare workers in Kiambu county is to increase their benefits. The study finding confirms Wamunyu (2016) and Dhurup et al. (2014) study which found that benefits and rewards are positively and significantly correlated with job outcome/satisfaction for healthcare workers in Kenya and South Africa respectively.

The table shows that job satisfaction and working condition are positively correlated, and the correlation coefficient is statistically significant at 1 percent level of significance. The Pearson correlation coefficient is 0.540 (p-value == 0.000). This implies that improvement in working condition leads to statistically significant increase in job satisfaction. The study finding suggests that improving working condition is important for job satisfaction among healthcare worker in Kiambu county. The study finding agree with Dhurup *et al.* (2014) study which found that policy and supportive environment is positively and significantly correlated with job outcome for nursing staff within public hospital in South Africa.

The table shows that job satisfaction and recognition are positively correlated, and the correlation coefficient is statistically significant at 1 percent level of significance. The Pearson correlation coefficient is 0.721 (p-value == 0.000). This implies that intrinsic rewards like recognition leads to statistically significant increase in job satisfaction. The finding suggests that to improve the job satisfaction among healthcare workers in Kiambu county, both intrinsic and extrinsic rewards will be important.

Table 4.6 shows that job satisfaction and basic pay are negatively correlated, and the correlation coefficient is statistically insignificant at 1 percent level of significance. The Pearson correlation coefficient is -0.077 (p-value == 0.433). This implies that increase extrinsic rewards like basic pay does not lead to statistically significant increase in job

satisfaction. The results contradict Salisu *et al.* (2015) which found a positive and statistically significant correlation between job satisfaction and salary for construction workers in Nigeria. The study also found that benefits and working condition have positive and statistically significant Pearson correlation (0.441). The study also found that benefit and recognition are positively correlated, and the correlation (0.696) is significant at 1 percent. Lastly, the working condition and recognition are positively correlated with Pearson correlation of 0.405 and it is statistically significant at 1 percent. As mentioned earlier, the correlation coefficients between independent variables indicates the relationship between variable is not very strong.

#### 4.4 Multiple regression Analysis

The linear regression analysis was used to investigate the effect of basic pay, working conditions, recognition and benefit on job satisfaction of healthcare workers in Kiambu county. The independent variables were basic pay, benefits, working condition, and recognition. The dependent variable on the other hand was job satisfaction. The study reports Analysis of Variances (ANOVA) and coefficient of determination ( $R^2$ ) and regression coefficients. Table 4.7 shows the coefficient of determination.

Table 4.7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777 <sup>a</sup>	.604	.589	.40451

a. Predictors: (Constant), basic pay, working condition, recognition, benefit  
Source: Author's Computation (2020)

Table 4.7 shows that overall correlation coefficient (R) between independent variables and job satisfaction was 0.777. It implied that there was a relative strong positive relationship between the independent and dependent variables. Moreover, the analysis show that 60.4 percent ( $R^2 = 0.604$ ) of the variation in job satisfaction can be explained by the basic pay, working condition,

recognition, and benefits. Therefore, 39.6 percent of variation in job satisfaction are explained by factors not included in the model.

Table 4.8 shows the analysis of variance for the model. The ANOVA test whether the coefficients of the independent variables are jointly equal to zero or the overall significance of the model. Table 4.8 shows that model had a  $F=38.547$  with  $p\text{-value} = 0.00$ . This implies that overall model was statistically significant at 5 percent.

Table 4.8: ANOVA Analysis

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.230	4	6.307	38.547	.000 <sup>b</sup>
	Residual	16.527	101	.164		
	Total	41.756	105			

a. Dependent Variable: Job satisfaction

b. Predictors: (Constant), Basic, Working condition, recognition, benefit

Source: Author's Computation (2020)

Table 4.9 show the result of the multiple regression analysis. The table reports the coefficients, standard errors, t-statistics and the p-value.

Table 4.9: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.579	.329		1.761	.081
Benefit ( $X_1$ )	.022	.079	.025	.276	.783
Working Condition( $X_2$ )	.294	.073	.286	4.049	.000
Recognition( $X_3$ )	.611	.091	.593	6.726	.000
Basic Pay( $X_4$ )	-.044	.027	-.103	-1.631	.106

Source: Author's Computation (2020)

Specifically, the model estimated to investigate the effect of benefit, working condition, recognition and basic pay on job satisfaction can be written as;

$$Y = 0.579 + 0.022X_1 + 0.294X_2 + 0.611X_3 - 0.044X_4 \quad (4.1)$$

Where Y is job satisfaction, X<sub>1</sub> is benefits, X<sub>2</sub> is working condition, X<sub>3</sub> is recognition and X<sub>4</sub> is basic pay. Table 4.11 and equation 4.1 shows the model had an intercept of 0.579 which had a p-value of 0.081. This indicates that on average, job satisfaction among healthcare workers in Kiambu is 0.579 and the coefficient is statistically insignificant at 5 percent. Given that job satisfaction is a mean of different statement rated in scale that range between strongly disagree (1) and strongly agree (5), this show when there is no other variable that is included in the model, healthcare worker in Kiambu strongly disagree that they are satisfied with work. This implies that without intrinsic and extrinsic rewards, healthcare workers are very dissatisfied in their jobs.

The first objective of the study was to determine the effect of basic pay on job satisfaction in the health sector in Kiambu county. From table 4.9, the coefficient of basic pay is -0.044 and had a p-value of 0.106 (t-value = -1.631). This indicates that increase in basic pay has a negative effect on job satisfaction. However, the coefficient is statistically insignificant at 5 percent level of significance. This is a surprising results given that the existing evidence indicates that basic pay has positive and statistically significant effect on job satisfaction (Ali & Wajidi, 2013; Goetz et al., 2015; Morgan et al., 2013; Ombima, 2014a; Wamunyu, 2016). Morgan et al. (2013) found that in USA healthcare sector financial rewards have a positive and statistically significant effect on job satisfaction. Also Ali and Wajidi (2013) found that in Pakistan healthcare sector compensation have positive and statistically significant effect on job satisfaction.

Studies done in Kenya healthcare shows similar relationship between job satisfaction and financial rewards. Wamunyu (2016) found that there is positive and statistically significant correlation between job satisfaction and remuneration among Kiambu level 4 hospital healthcare worker. Another study by Ombima (2014) found that among high education employees, economic factors have positive and statistically significant effect on job satisfaction. A study by Goetz *et al.* (2015) found that among healthcare worker in Kenya remuneration has a positive effect on job satisfaction. The contradictory between this study and previous studies maybe due to difference in measurement of compensation and job satisfaction. Also, in the current study, the study participant is highly educated with majority having at least a bachelor's degree. Hence, a marginal increase in salary may not be very important for their job satisfaction. As another study by Salisu *et al.* (2015) shows using a structural equation model, among Nigeria construction worker, the effect of salary on job satisfaction is positive but statistically insignificant. Terera and Ngirande (2014) uses a Chi-square test and shows that there is insignificant association between rewards and job satisfaction.

The second objective was to establish the effect of benefits on job satisfaction. From table 4.9, the coefficient of benefit was 0.022 and had a p-value of 0.783 (t-value = 0.276). This indicates that increase in benefits has a positive effect on job satisfaction. However, the coefficient is statistically insignificant at 5 percent level of significance. This result contradict previous studies that indicates that benefit has positive and statistically significant effect on job satisfaction, for example Muguongo *et al.* (2015). However, the sample of the study by Muguongo *et al.* (2015) was for secondary school teachers in Tharaka Nithi county. However,

the result this study confirm the study by Morgan *et al.* (2013) and Salisu *et al.* (2015) that found that allowances had statistically insignificant effect on job satisfaction.

The third objective of the study was to find out the effect of working condition on job satisfaction. From table 4.9, the coefficient of working condition was 0.294 and had a p-value of 0.000 (t-value = 4.049). This indicates that increase in working condition has a positive effect on job satisfaction and the coefficient is statistically significant at 5 percent level of significance. Specifically, a unit increase in working condition leads to 0.294 increase job satisfaction, holding all other factors constant. This result confirm previous studies that indicates that working condition has positive and statistically significant effect on job satisfaction (Ali & Wajidi, 2013; Goetz *et al.*, 2015; Morgan *et al.*, 2013; Muguongo *et al.*, 2015; Ombima, 2014a). Working condition is likely to be important for healthcare workers, due to the risk involved in hospital settings. Hence, factors like availability of equipment and tools, support from organization and supervisors, and workload will have significant effect on job satisfaction.

The fourth objective of the study was to examine the effect of recognition on job satisfaction. From table 4.9, the coefficient of recognition was 0.611 and had a p-value of 0.000 (t-value = 6.726). This indicates that increase in recognition has a positive effect on job satisfaction and the coefficient is statistically significant at 5 percent level of significance. Specifically, a unit increase in recognition leads to 0.611 increase job satisfaction holding all other factors constant. This result confirm previous studies that indicates that working condition has positive and statistically significant effect on job satisfaction (Ali & Wajidi, 2013). However, other studies have found the impact of recognition on job satisfaction positive but statistically insignificant (Morgan *et al.*, 2013; Yaseen, 2013). A study done in Kenyatta National Hospital

by Kagathi and Waiganjo (2017) found that recognition have negative effect on job satisfaction, though the effect is statistically insignificant. Recognition is important factor as it is likely to increase employee's motivation and job satisfaction, that leads in improvement in job performance. Hence, factors like feedback, promotions, appreciation will have significant effect on job satisfaction.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The chapter contains the summary of the study findings, conclusion from the findings, policy recommendation and areas of further research. The aim of the study was to investigate the effect of compensation strategies on job satisfaction in Kiambu county. Health care is important for economic development and personal wellbeing of a nation. Therefore, it is important to understand how different factors affects health care workers. One of the key pillars of employees' performance is job satisfaction and compensation strategies are likely to have a huge impact on whether health care workers are satisfied in their jobs or not. The study focused on health care workers at Kiambu county in Kenya and specifically sought to investigate the effect of basic pay, benefits, working condition and recognition on job satisfaction. The study collected data from a representative sample of 106 healthcare workers in Kiambu. The data was cleaned, and descriptive and inferential analysis done using SPSS version 23.

#### **5.2 Summary of Findings**

The study found that working conditions and recognition have a positive and significant effect on job satisfaction, basic pay had a negative but insignificant effect on job satisfaction while benefits had a positive and statistically insignificant effect on job satisfaction.

##### **5.2.1 Basic Pay**

The first objective was to investigate the effect of basic pay on job satisfaction. Secondly, the study found that basic pay and job satisfaction were negative correlated thought the

correlation was statistically insignificant. However, basic pay is positively correlated with benefits and recognition while is negatively correlated with working conditions. The study finding implies that increases in base salary do not lead to statistically significant on job satisfaction.

### **5.2.2 Employees' Benefits**

The second objective was to investigate the effect on benefits on job satisfaction in Kiambu county. The study found that first, the most common type of benefits offered to healthcare workers in Kiambu county is health insurance followed by social security. Second, the study found that on average employees agrees on the statement that, "I am satisfied with long term benefits and insurance policies of the organization". The statement had a mean (standard deviation) of 3.91(0.857) and a minimum of 1 (strongly disagree) and maximum of 5(strongly agree). Third, the correlation analysis found that benefits are positively correlated with job satisfaction and the correlation coefficient is statistically significant. The study also shows that benefits are positively correlated with working conditions and recognition and the association is statistically significant. Though the correlation between benefits and basic pay is positive, it is not statistically significant. Fourth, regression analysis found that benefits have a positive but statistically insignificant effect on job satisfaction.

### **5.2.3 Working Condition**

The third objective was to investigate the effect of working condition on job satisfaction in Kiambu county. The study found that first, the study found that on average employees agrees with different statements related working environment like working relationship with others, working environment, job security, etc. The statements had a mean of approximately 4 and a minimum of 2 (Disagree) and maximum of 5(strongly agree). Second, the correlation analysis

found that working conditions are positively correlated with job satisfaction and the correlation coefficient is statistically significant. This implies that there is a moderately strong association between working conditions and job satisfaction. The study also shows that working conditions are positively correlated with benefits and recognition and the association is statistically significant. However, the correlation between working conditions and basic pay is negative and statistically insignificant. Fourth, regression analysis found that working conditions have a positive and statistically significant effect on job satisfaction.

#### **5.2.4 Recognition**

The fourth objective was to find out the effect of recognition on job satisfaction in Kiambu county. The study found that first, the study found that on average employees agrees with different statements related recognition at job place like whether they feel properly appreciated, opinions and suggestions are heard, they work is valued, opportunity for promotion, etc. The statements had a mean of approximately 4 and a minimum of 1 (strongly disagree) and maximum of 5 (strongly agree). Second, the correlation analysis found that recognition is positively correlated with job satisfaction and the correlation coefficient is statistically significant. This implies that there is a relatively strong association between recognition and job satisfaction. The study also shows that recognition is positively correlated with benefits and working conditions and the association is statistically significant. However, the correlation between recognition and basic is positive and statistically insignificant. Fourth, regression analysis found that recognition have a positive and statistically significant effect on job satisfaction.

### **5.3 Conclusion**

Given the study findings, the study made several conclusions. First, the study concluded that basic pay does not have statistically significant effect on job satisfaction for healthcare workers in Kiambu county. The conclusion was drawn from the statistically insignificant correlation coefficient and regression coefficient. The study found a negative association between basic pay and job satisfaction which was not statistically significant. Further, the finding indicates there is not significant correlation between basic pay and benefits, working conditions and recognition. Hence, the study concludes that basic pay is not associated with benefits, working conditions and recognitions.

Second, the study concludes that benefits do not affect job satisfaction. Though the study found there is statistically significant association between benefits and job satisfaction, the regression coefficient was not statistically significant at 5 percent. Since, correlation analysis does not account for other factors that may affect job satisfaction, the study considers the regression analysis. Taking into account working condition, basic pay and recognition, shows that though the coefficient of benefits is positive, it is not statistically significant. Hence, the study concludes there is not relationship between benefits and job satisfaction in health care sector in Kiambu county.

Third, the study concludes that working conditions affects job satisfaction. The study found that there is statistically significant association between working conditions and job satisfaction and the regression coefficient for working condition was statistically significant at 5 percent. The correlation coefficient between working condition and job satisfaction was moderately strong. Taking into account benefits, basic pay and recognition, the study shows that the regression coefficient of working condition is positive and statistically significant.

Hence, the study concludes that there is significant relationship between working condition and job satisfaction in health care sector in Kiambu county.

Finally, the study concludes that recognition affects job satisfaction. The study found that there is statistically significant correlation between recognition and job satisfaction and the regression coefficient for recognition was positive and statistically significant at 5 percent.

Hence, the study concludes that there is significant relationship between recognition and job satisfaction in health care sector in Kiambu county.

#### **5.4 Recommendations**

Given the study conclusions, the study makes to key recommendation. First, to improve job satisfaction in Kiambu county healthcare sector, the county government should focus to improving the working conditions. The study looked at how employees in healthcare sectors in Kiambu feels about different statement about working conditions. The study findings indicate that improving working relationships, working environment, job security, organization culture, support from management, clearly job description, and provision of tools, equipment, supplies and resources, is the key to improving job satisfaction among healthcare workers in Kiambu county.

Second, the study recommends that county government should implement programs that recognized employee's contribution at the workplace. The study concluded that there is significant relationship between job satisfaction and recognition. To improve job satisfaction in Kiambu county healthcare sectors, county government should recognize employees' contribution. The study findings indicate that employees' being appreciated for a doing a good job, management listening to feedback, suggestions and opinions of employees, recognizing

employees as team members, promotions, etc., is the key to improving job satisfaction among healthcare workers in Kiambu county.

Generally, the study findings indicate intrinsic rewards are more likely to improve job satisfaction in Kiambu county health sector compared extrinsic rewards. Hence, the study recommends that county government should implement policies that increase intrinsic rewards in order to increase job satisfaction in Kiambu county healthcare sector.

### **5.5 Areas for Further Studies**

The objective of the current study was to investigate the effect of compensation strategies on job satisfaction in Kiambu county healthcare sector. Hence, the study findings are relevant to Kiambu county and may not be generalizable to the rest of the country. The study suggests two main areas of further studies. First, the study proposes that a study should be conducted that focuses on the whole country. This will be important as different counties may be faced by different problems in the health sector. Moreover, the study proposes a study to investigate whether the study finding holds in other sectors in Kenya for example education sector.

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## APPENDICES

### APPENDIX I: LETTER OF INTRODUCTION

CAROLINE WANGARI MAINA

Kenyatta University,  
Department of Business,  
P. O. Box 43844  
Nairobi, Kenya.

Date: .....

Dear Sir / Madam

**RE: DATA COLLECTION BY CAROLINE**

I am a Masters degree student at the Kenyatta University conducting a study on “**COMPENSATION STRATEGIES AND EMPLOYEE JOB SATISFACTION IN THE HEALTH SECTOR IN KIAMBU COUNTY, KENYA.**” You have been selected for this study. I am kindly requesting your help in collection of data for the study. Data collected will be treated with the utmost confidentiality and strictly used for research purpose only. In case of any queries or comments about this survey, kindly contact me through the address above.

Thank you for your support and cooperation.

Yours faithfully,

*Caroline Maina.*

## APPENDIX II: QUESTIONNAIRE

### Instructions:

I am a student at Kenyatta University taking an MBA course. As part of my academic requirements, I am carrying out a study on “compensation strategies and employee job satisfaction in health sector in Kiambu County, Kenya.”. Please assist in filling this questionnaire to enable me complete writing this research. Thank you.

Please answer all Questions by inserting a TICK where appropriate or alternatively please write in the space provided.

Please answer all the questions honestly and to the best of your knowledge.

### SECTION A: PERSONAL DETAILS

**1. Gender**            Male    { }    Female    { }

#### **2. Age bracket**

20 - 30 years            { }

30 - 40 years            { }

40 - 50 years            { }

50 – 60 years            { }

Above 60 years            { }

#### **3. Level of education**

Certificate            { }

Diploma                { }

Bachelor                { }

Masters                { }

PhD                      { }

Others(specify)        { }

Other qualifications    { }

**4. Year (s) of experience in health sector**

Less than one year { }                      1 - 5 years { }  
 6 - 10 years { }                                above 10 years { }

**5. What is your job category in the hospital?**

Doctors { } Nurses { } Midwives { } Lab attendants { } Pharmacists { }  
 Physiotherapists { } Mortuary attendants { } Finance { } Human Resources { }  
 Administration { } Operations { }

**SECTION B: BASIC PAY**

**6. How much do you earn per month (Ksh)?**

10,000-20,000 { }                      20,000-30,000 { }  
 30,000-40,000 { }                      40,000-50,000 { }  
 50,000-60,000 { }                      60,000-70,000 { }  
 Above 70,000 { }

**SECTION C: BENEFITS**

**7. What are some of the benefits you receive form your employer**

Social security { }      Health Insurance { }      House allowance { }  
 Paid leaves { }      Retirement benefits { }      Others ....Specify.....

**8. Indicate the extent of agreement with the following statement.**

S/no	Items	(1)	(2)	(3)	(4)	(5)
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Employees in my organization are fairly rewarded					
2	I am satisfied with the existing salary structure of the hospitals' works and contributions					

3	I am satisfied with long term benefits and insurance policies of the organization					
4	I am satisfied with the compensation I get and I think it matches with my responsibility					
5	My remuneration is able to cater for my daily needs.					

#### SECTION D: WORKING CONDITIONS

S/no	Items	(1)	(2)	(3)	(4)	(5)
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I am satisfied with working relationships with people around me.					
2	I am satisfied with the working environment of the hospital					
3	I am satisfied with job security					
4	I am satisfied with organization culture					
5	I receive enough support from management.					
6	My role in the organization is clearly defined.					
7	My department provides all the equipment, supplies, and resources necessary for me to perform my duties					

#### SECTION D: RECOGNITION

S/no	Items	(1)	(2)	(3)	(4)	(5)
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I feel properly appreciated when I do a good job.					
2	My opinion and thoughts are heard					
3	My supervisor cares about me as team member.					
4	My work is valued and appreciated					
5	I have decent chance of being promoted					
6	Rewards and recognition provided by the organization are satisfactory					

7	Management makes changes based on my suggestion and feedback					
---	--	--	--	--	--	--

**SECTION E: JOB SATISFACTION**

S/no	Items	(1)	(2)	(3)	(4)	(5)
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Management is supportive of me					
2	The organization provide enough training to perform my job					
3	I feel encouraged by management to offer suggestions					
4	Organization policies and rules enables me to do my work well					
5	I rate highly this health facility as a good place to work.					
6	I have decent opportunity to improve my skills					
7	I clearly define job description					
8	My weekly assignment is reasonable					
9	I would recommend this health facility to other workers as good place to work					

**Thank you for participating**

## APPENDIX III: APPROVAL OF RESEARCH PROJECT PROPOSAL



KENYATTA UNIVERSITY  
GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

Website: [www.ku.ac.ke](http://www.ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 26<sup>th</sup> October, 2020

TO: Caroline Wangari Maina  
C/o Business Administration Dept.

REF: D53/33465/2015

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 21<sup>st</sup> October, 2020 approved your Research Project Proposal for the MBA Degree Entitled, "Compensation Strategies and Employee Satisfaction in the Health Sector in Kiambu County, Kenya".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

A handwritten signature in black ink, appearing to read 'JACKSON LUVUSI', written over a horizontal line.

JACKSON LUVUSI  
FOR: DEAN, GRADUATE SCHOOL

c.c.: Chairman, Business Administration Department.

Supervisors:

1. Dr. David Kiiru  
C/o Department of Business Administration  
Kenyatta University

**APPENDIX IV:RESEARCH LICENSE(NACOSTI)**

  
**REPUBLIC OF KENYA**

  
**NATIONAL COMMISSION FOR  
SCIENCE,TECHNOLOGY & INNOVATION**

Ref No: **918192** Date of Issue: **15/December/2020**


**RESEARCH LICENSE**




**This is to Certify that Ms.. CAROLINE WANGARI MAINA of Kenyatta University, has been licensed to conduct research in Kiambu on the topic: COMPENSATION STRATEGIES AND EMPLOYEE JOB SATISFACTION IN THE HEALTH SECTOR IN KIAMBU COUNTY, KENYA for the period ending : 15/December/2021.**

License No: **NACOSTI/P/20/8158**

**918192**  
Applicant Identification Number

  
Director General  
**NATIONAL COMMISSION FOR  
SCIENCE,TECHNOLOGY &  
INNOVATION**

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